

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
TEXAS WORKFORCE COMMISSION
AUSTIN, TEXAS

PUBLIC MEETING)
FOR THE TEXAS)
WORKFORCE COMMISSION)

COMMISSION MEETING
TUESDAY, AUGUST 2, 2016

BE IT REMEMBERED THAT at 9:00 a.m. on
Tuesday, the 2nd day of August, 2016, the above-entitled
matter came on for hearing at the Texas Workforce
Commission, TWC Building, 101 East 15th Street, Room 244,
Austin, Texas, before ANDRES ALCANTAR, Chairman; JULIAN
ALVAREZ and RUTH R. HUGHS, Commissioners

TABLE OF CONTENTS

1		
2		PAGE
3	PROCEEDINGS, TUESDAY, AUGUST 2, 2016	
4	AGENDA ITEM NO. 1	4
5	CHAIRMAN ALCANTAR	
6	AGENDA ITEM NO. 2	4
7	SHERRI MILLER	
8	AGENDA ITEM NO. 3	4
9	JENNIFER TURNER	
10	AGENDA ITEM NO. 4	4
11	JENNIFER TURNER	
12	AGENDA ITEM NO. 5	5
13	SHERRI MILLER	
14	AGENDA ITEM NO. 6	5
15	SHERRI MILLER	
16	AGENDA ITEM NO. 7	5
17	DIANE PARKER	
18	AGENDA ITEM NO. 8	5
19	RANDY TOWNSEND	
20	AGENDA ITEM NO. 9	6
21	RANDY TOWNSEND and REAGAN MILLER	
22	AGENDA ITEM NO. 10	43
23	RANDY TOWNSEND	
24	AGENDA ITEM NO. 11	43
25	JASON VADEN and ADAM LEONARD	
	AGENDA ITEM NO. 12	44
	PATRICIA GONZALEZ and CLINT WINTERS	
	AGENDA ITEM NO. 13	44
	JOHN FULLER	
	AGENDA ITEM NO. 14	44
	TOM McCARTY	
	AGENDA ITEM NO. 15	44
	LARRY TEMPLE and TOM McCARTY	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TABLE OF CONTENTS (Cont.)

PAGE

AGENDA ITEM NO. 16 53
EXECUTIVE SESSION

AGENDA ITEM NO. 18 53
ADJOURNMENT

REPORTER'S CERTIFICATE 54

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AGENDA ITEM NO. 5

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Wage Claim Cases Listed on
the Texas Workforce Commission Docket 31.

The Commission considered and took action on
all wage claim cases listed on Docket 31.

AGENDA ITEM NO. 6

Discussion, Consideration and Possible Action
Regarding Higher Level Appeals in Unemployment Compensation
Cases Listed on the Texas Workforce Commission Docket 31.

The Commission considered and took action on
all unemployment compensation cases listed on Docket 31.

AGENDA ITEM NO. 7

CHAIRMAN ALCANTAR: Good morning, everyone.
Item 7. Diane, do we have any public comment?

MS. PARKER: No public comment, Chairman.

CHAIRMAN ALCANTAR: We have no public
comment.

AGENDA ITEM NO. 8

CHAIRMAN ALCANTAR: Item 8. Discussion,
Consideration and Possible Action Regarding Fiscal Year 2017
Operating Budget, Funding Priorities, Staff Levels,
Performance Levels, Statewide Initiatives and Other
Budget-Related issues, Randy Townsend. Good morning, Randy.

MR. TOWNSEND: Good morning, Chairman and

1 Commissioners. For the record Randy Townsend, Chief
2 Financial Officer. Commissioners, I don't believe I have
3 anything this morning specifically under this agenda item --

4 CHAIRMAN ALCANTAR: All right.

5 MR. TOWNSEND: -- but for the -- the next
6 one.

7 AGENDA ITEM NO. 9

8 CHAIRMAN ALCANTAR: Item 9. Discussion,
9 Consideration and Possible Action Regarding Fiscal Year 2018
10 LAR, Staffing Levels, Performance Measures, Initiatives and
11 Other Budget-Related Issues, Randy Townsend.

12 MR. TOWNSEND: Good morning, again,
13 Commissioners. Again, for the record, Randy Townsend.
14 Under Tab 9, I have included some materials I wanted to
15 discuss with you this morning and receive any direction and
16 guidance to continue the process of developing and preparing
17 our Legislative Appropriation Request for 2018 and '19. I
18 should point out as right at the beginning of this, last
19 week we -- we had talked about the 2017 operating budget. I
20 had brought the -- the numbers for your consideration, and
21 you had approved those.

22 At that -- about that same time, I was
23 informed that we -- the agency needed to adjust that -- the
24 control amount for the -- for the pay increases there to the
25 16 level. So I -- I will need to -- and the numbers you

1 have here this morning will reflect those changes. It was
2 about half a million dollars or so that we were assuming
3 increases that the LBB has consistent guidelines. They're
4 requiring all agencies not to be any higher than their 16
5 level, so that is included. That was a change I just wasn't
6 aware of last week when I had -- had presented that. That
7 will change a little bit in terms of the 4 percent reduction
8 which I'll -- I'll cover this morning with you.

9 Let me just begin, Commissioners, if I could,
10 I think I've -- I've been -- I had a chance to brief you
11 pretty quickly individually on the -- the layout of the
12 materials. But I'll just cover a few of the -- the pages,
13 make sure if you don't have -- if have any questions or --
14 or any comments. The first page which, again just by way of
15 review, is our method of finance summary reflecting the --
16 the -- the general revenue, the general revenue dedicated,
17 the federal funds. Again, just in total the
18 appropriation -- by total appropriation the method of
19 finance for general revenue for 13 is about -- 2017 is about
20 13 percent.

21 That number will drop slightly in '18-19 due
22 to the -- to the decrease we'll have to reflect for the 4
23 percent reduction. It'll be just under 13 percent when --
24 when that's all said and done. The federal funds will still
25 be right in the range of 83 percent of the total agency

1 budget, Commission budget, for '18-19. And then other funds
2 which primarily is our interagency contract with Department
3 of Family and Protective Services will be about 4 percent of
4 our total -- total budget. Again just by way of review, the
5 general revenue matching and maintenance of effort for '17
6 all -- all the way through '18 and '19 is just over 100 --
7 well, just under \$152 million actually which as a percentage
8 of total GR that matching and maintenance of effort
9 represents about 78/79 percent of the total general revenue
10 funding amount. That's a quick overview of the method of
11 finance.

12 If you don't have any questions, I was going
13 to move to page 2. This will -- will include the
14 presentation of the strategy -- by our new strategy
15 structure for '18-19, so this is going to slightly different
16 than what I had presented to you last week which is under
17 the current strategy structure. So all the vocational
18 rehabilitation strategies are now reflected up in the
19 goal -- goal A, goal 1 if you will. So the -- you'll find
20 the first voc. rehab. strategy under 1.2.1 would be the
21 first place you'd see the -- it's now called Rehab. for
22 Competitive Employment.

23 You see the Business Enterprises Texas Trust
24 at 1.2.3 strategy, and then there's another Business
25 Enterprises of Texas Trust 1.2.3, so those three voc. rehab

1 strategies are now moved out of what used to be goal D up
2 into the -- to the goal 1 strategy for '18-19. And then
3 there's the one strategy that was considered an indirect has
4 -- has been eliminated, so we -- we're back to the three
5 indirect strategies under goal C, I guess, 3.1.1 and 3.1.2
6 and 3.1.3. Commissioners, that's kind of a high-level
7 overview of the appropriation. That will be how the
8 legislature will look at our appropriation request by
9 strategy, of course, during the upcoming session.

10 You will also on page 3 see this continues
11 the strategy structure, but this is the look by full-time
12 equivalent staffing levels. The strategy structure here, of
13 course, reflects the full-time equivalent level, FTE level,
14 for 2017 at 4,856 FTEs. That will be with -- we'll -- we'll
15 need to notify the Governor's Office and LBB that that
16 reflects 160 FTEs that were above the General Appropriation
17 Act total. It also assumes that the 46 FTEs that are apart
18 of the voc. rehab transfer that should've been counted as a
19 part of -- by DARS are also included in this total as well.
20 So that -- that brings that total to that four -- 4,856.

21 Also I just wanted to point out for your --
22 just observation the indirect strategies. That's -- that's
23 the central admin., the information resources and the other
24 support services for the '16 year are those strategies from
25 a -- from a staffing level represent about 8.6 percent of

1 the agency's FTEs. That number is slightly under 8 percent,
2 so it drops for '17 into the out years.

3 Moving to page 4, this is just informational
4 for you. This an object of expense look, so it will show
5 you the break down by the -- primarily our largest
6 expenditures are in the form of -- of grants and clients
7 services so the grant pass-through funds. Most of that's
8 allocations to our local Workforce Development areas.
9 Client services will reflect primarily our client consumer
10 services in the voc. rehab program as we pick that up
11 starting in '17.

12 Salaries, again, represents about 15 percent
13 of the total agency budget. The grants and client services
14 combined is just right at 75/77 percent of the total agency
15 budget. That's the look by object of expense. I'm going to
16 pause there for just a moment, Commissioners, see if you
17 have any questions about that part before we move to the --
18 the GR -- GR dedicated page on page 5.

19 CHAIRMAN ALCANTAR: We have no questions.

20 MR. TOWNSEND: Okay.

21 COMM. ALVAREZ: No, questions Chairman.

22 MR. TOWNSEND: Page 5 of 14 is an update from
23 what I had presented to you last week. This is doing two
24 things. I just wanted to point out this is where you can
25 how we're achieving the 4 percent reduction by strategy by

1 the method of finance. And we'll also -- we'll need some
2 direction this morning from you if possible on the 10
3 percent reduction exercise, so there's two things going on
4 with this page. And I know there's a bunch of numbers on
5 here so let me walk you through briefly how this is laid
6 out.

7 On page 5, you'll see all the general revenue
8 different methods of finance. For the general revenue on
9 page 2, of course, we'll get into the general revenue
10 dedicated portion. Including with this -- this page will
11 include 2016 estimated amounts as well as our '17 budget
12 amounts that tie back to what we -- were included in those
13 previous schedules. Again, this organized by method of
14 finance and -- and strategy. It will compare that '16-17
15 biennium total to what we'd need to achieve for the '18-19
16 GR reduction.

17 I will say at this point the way I've
18 calculated the 4 percent -- we don't have the official
19 number from LBB. It's forthcoming here short -- shortly as
20 I understand, but I've -- I think I've calculated it based
21 on the -- the way, you know, the general revenue that should
22 be considered in the '16-17 biennium and what we would need
23 to achieve for '18-19. But until we get that actual number,
24 I could be off a little bit here, but I think I'm pretty
25 close for -- for purposes of our discussion this morning.

1 So just as an -- as an example there of the
2 general revenue total line, there's -- for '16-17 there's
3 114.2 million in all strategies for '16-17. This -- the GR
4 reduction total would bring that down to 102.5 million.
5 That 11 million reduction is primarily made up of what we
6 had talked about now a couple of times where the proposal is
7 to use our federal funds to the fullest extent possible to
8 cover the salary increases that had been previously covered
9 with general revenue. And so we're -- we're obviously going
10 to have a hit to our federal funds.

11 We'll have to -- we -- and looking at through
12 '18-19, there appears to be enough balance to cover us
13 through that time period. I do need to talk a little bit
14 more about the employment services grant in a -- in a moment
15 on that as far as an assumption that was made to -- to
16 achieve that result. The other big part is -- is a
17 reduction to the skills grant that was -- that was included
18 in this strategy here so that's -- there certainly a
19 reduction.

20 You will see on the second page I've done a
21 near the bottom, I'm -- I'm showing you the grants portion
22 of the skills strategy. In six -- in '17 there was about
23 22.5 million assumed for skills grants and then 5 million
24 for the -- for the JET program, the Job and Education for
25 Texans program. When you move to the '18-19, that 22

1 million, 22.5 million for skills grants is going to drop
2 about 750,000 a year roughly. The -- the JET program, the
3 assumption is they would stay at the -- at the 5 million per
4 year total there. That was -- that was the assumption that
5 was included.

6 The other parts, back on page 5, the other
7 part of the -- the -- of the reduction, I -- of course, I
8 did not assume any reduction to our GR for child care match
9 or maintenance of effort for our TANF program and our child
10 care program, did not assume a reduction, of course, for
11 vocational rehabilitation general revenue match and then --
12 or -- or for the GR match for the -- for the SNAP E&T
13 program.

14 I did -- there is a little bit of an increase
15 for the career school. I need to explain that to you. The
16 -- as I looked at how we cost allocate between our
17 eligibility training provider certification program, we've
18 used an 85 percent career schools. That's based on fees we
19 collect from the career schools. It's considered general
20 revenue here. Eighty-five percent's been funded from that
21 source, and then 15 percent from our federal sources. In
22 looking at how we can actually fall -- pay that as far as
23 going forward, it looks like that percentage needs -- needs
24 to be closer to a 90 percent state and 10 percent federal.
25 I was little bit on the heavy side on the federal so that's

1 part of what was going on with -- with that change there
2 driven largely by the -- by the cost allocation for -- for
3 those programs.

4 And then on page 6 just to wrap up the 4
5 percent portion, the general revenue dedicated, of course,
6 primarily is -- is funding our -- what's called special
7 admin. fund, our fund 165. Most of that historically has
8 been used for labor law inspection program. We also have
9 used it for some of our cost allocating some of our employer
10 initiative costs and a couple other things along those
11 lines. We actually -- the proposal here is just to focus
12 that funding exclusively on the labor law, and so we achieve
13 some reductions because of that through that process.

14 And, of course, we've talked about this as
15 well. Under 5128, that's the Employment Training Investment
16 Assessment, there's a 3 million appropriation amount for the
17 current biennium and the assumption was that we would
18 eliminate the -- or propose to eliminate the rider and --
19 and achieve the -- the reduction there for the full \$3
20 million in the -- in that funding source.

21 When you do all that, Commissioners, I --
22 because I think the control total is going to be very close
23 to just over 396 million, 396.4 million call it. With how I
24 laid this out here, we can achieve that 4 percent reduction.
25 We definitely are going to have some work cut out for us in

1 -- in finding ways to -- to fill the gaps with the federal
2 funds, but it looks like from a mathematical standpoint
3 obviously it can be done. But I do want to just explain --
4 just elaborate a little bit on the assumption that's built
5 in here for the employment services grant because that --
6 that federal grant was not able to absorb all the
7 reductions.

8 We were probably about 3 million -- close 3
9 million short by the time we get to '18 and 19. And so for
10 '18 and '19, not for '17, the assumption is in here that the
11 Veterans Leadership program would shift back to being funded
12 with WIOA, and I can show you what the impact is to the WIOA
13 statewide initiatives. But it'd be -- it would not be
14 funded with employment services for '18-19 but with WIOA
15 statewide and that will allow the ES grant to be able to --
16 to -- to absorb these -- these reductions here so --

17 CHAIRMAN ALCANTAR: Okay.

18 MR. TOWNSEND: -- just want to make sure you
19 were aware of that change. I'll see if you have any
20 questions about the 4 percent reduction before I move to the
21 10 percent portion of the exercise.

22 CHAIRMAN ALCANTAR: Any questions,
23 Commissioners?

24 COMM. ALVAREZ: No questions, Chairman.

25 CHAIRMAN ALCANTAR: All right. Ten percent.

1 MR. TOWNSEND: On the page 5 on the right
2 side of -- of the document, again this is similar -- I don't
3 think -- the only thing that might have changed is the
4 bottom line dollar amount was -- was slightly different than
5 last week. But, again, I'm just showing you a scenario
6 here, but this morning if -- if there's some changes you'd
7 like to make to that, I'd be happy to, you know, get that
8 from you and see what direction you want to go.

9 Just as by of review, the assumption was that
10 we would take predominantly reduction from the skills and
11 the child care, very similar to what the previous
12 Commission's Commissioners have done, but obviously it's --
13 it's your -- your decision this morning. Was -- was also
14 showing a reduction to some matching funds in this scenario,
15 2 million reduction over the biennium for adult education.
16 Of course, that would result in a loss of \$6 million of
17 federal matching, was also assuming \$1 million biennium
18 reduction for employment community services strategy.

19 We have a rider. The assumption was that
20 that rider would go from 4 million to 3.5 million
21 potentially for the consumer -- or clients in that -- in
22 that -- in that program. And then the GR reduction for the
23 child care match is assumed to be 20 million, and then it
24 does include a reduction in voc -- vocational rehabilitation
25 matching for 3 million. Of course, that would in a loss of

1 11 million in -- in matching funds. I think we're within
2 the maintenance of effort requirement, but it would -- it
3 would still result in a loss of -- of federal matching funds
4 for the program so that's a -- you know, overall it'd be a
5 \$14 million hit over the biennium if you were to take that
6 direction.

7 And then the balance here was -- was a
8 reduction to the -- to the SNAP matching programs. And the
9 name on here, we need to get the title corrected. It's
10 still reflecting food stamp, but it's the Supplemental
11 Nutrition Assistance Program matching dollars there. That
12 would get you to the 39.6 million over the biennium to
13 achieve a 10 percent exercise reduction, and I'm available
14 to see if you have questions about this or if you want to
15 offer some other -- another approach or other alternatives
16 or what your pleasure would be.

17 CHAIRMAN ALCANTAR: Commissioners?

18 COMM. ALVAREZ: I have nothing to add.

19 CHAIRMAN ALCANTAR: Appreciate it, Randy. I
20 think it -- you know, it is a required exercise, and I think
21 say a reasonable approach to get to the 39 million. Thank
22 you.

23 MR. TOWNSEND: Thank you. Let me finish up
24 here with the document, and then we'll get to the
25 exceptional item part of the discussion in just -- just a

1 moment. On page 7, this is where I've attempted to reflect
2 all the decisions you've made previously -- previously for
3 statewide initiatives. There will be a couple of changes
4 that you won't be familiar with that were added on page 7 at
5 the very at the very top of that page. I think it's been
6 briefed to you individually previously on the vocational
7 rehabilitation. It's both the general services side and the
8 blind services side. This relate -- relates to the special
9 initiatives we -- we've been talking about for the
10 pre-employment training services portions of the -- of those
11 two grants. This is reflecting a \$9 million initiative for
12 the -- the general services.

13 There's work-based learning for 4.5 million
14 in there. This is on the very top of page 7 of 14, and
15 there's a capacity building for a similar 4.5 million. And
16 then on the blind services side, there's a work-based
17 learning for half a million and then capacity building for
18 just under 458 million, so those were new. You hadn't seen
19 those in this type of format. At this point, I think it's
20 been discussed with you previously, but I was wanting to
21 make sure reflected it in our -- in our document here.

22 The rest of this page -- summary of statewide
23 initiatives should be pretty similar. I think the only
24 thing I may have done differently from what you'd seen
25 before is I -- I'm using a strategy description instead of

1 program which I think maybe is a little bit more consistent
2 with how our -- our -- our -- our documents are laid out.
3 The -- one page 7 you see the adult education and literacy.
4 I do need to point out to you, I didn't have a chance to get
5 this fixed. You -- it appears that we have a Commission
6 reserve balance here highlighted for 2016 of 241 million and
7 then a budget number in '17 of 1.2 million.

8 As I've gone back and looked at those numbers
9 and -- and what the grant actually can afford, there's --
10 there's really not a grant reserve balance there. We can
11 afford the initiatives we have at this point, but there's
12 really is not a balance there. The total grant for -- for
13 Adult Education and State Leadership funds is just over \$7
14 million and so -- and there -- and there's 2.5 million or so
15 of general revenue so it's just -- there's just not a
16 balance there. And I've -- I'll get that corrected for the
17 -- for a future -- for the future documents. I apologize
18 for that.

19 On page 8 will be the child care, and, again,
20 this is where you where you might see a little difference
21 from a previous document. And I'm showing the strategies,
22 so the At-Risk Transitional Child Care strategy. And then
23 some of these initiatives actually fit into child care
24 admin. strategies, not -- I don't think it's a huge deal,
25 but I -- I did want to just -- wanted to clarify that for

1 you. On this page, you'll see a fairly sizeable balance in
2 the Commission reserve balance for child care discretionary
3 funds. The '16 balance at 18 million and '17's estimated
4 will be about 22 million -- 21.8 million.

5 I do need to say on this, and I've been
6 telling you a couple weeks now that we're not quite prepared
7 with -- ready to go forward on allocation decisions on child
8 care because of all the reauthorization. We're still
9 looking at the impacts of that and working with Reagan
10 and -- and Adam to -- to bring forward an updated
11 recommendation for your consideration here shortly. But
12 that reserve balance, possible is we will need that reserve
13 balance to cover the increase cost of children in care till
14 we can make this transition due to the changes in that
15 eligibility period. And so we're still working through all
16 those numbers, but so I don't -- I just wanted to caution
17 that if you -- I mean, I'm -- I'm sure you have a lot of
18 good ideas and everything for this, but we actually may need
19 to -- to cover that in the short run to -- for some of the
20 increase costs we -- we -- it looks like we're going to
21 be -- be experiencing.

22 For the CHOICES, I looked at the -- the
23 Commission reserve and, again, my '18-19 assumptions I'm not
24 trying to suggest that you would necessarily vote this way
25 in the future on these initiatives but just to -- if you

1 continue the same level of funding as you have for '17 into
2 '18-19, this would be where you'd stand as far as balances.
3 I thought it might give you a little better picture of -- of
4 what those numbers looked like, but obviously you can -- you
5 -- in the future you can make changes obviously to '18-19.
6 But the Commission reserve balance would currently stand for
7 TANF/CHOICES at -- at 2.7 million in the '17 budget, and
8 then we have just under 2.5 million that would -- is not
9 identified -- identified with a specific initiative
10 currently. And I know there might be some changes to some
11 of those initiatives in the future.

12 On the top of page 9 starts your WIOA, the
13 Workforce Innovation and Opportunity funding for statewide
14 initiatives and, again, same kind of concept, the '17
15 budget. The '18-19 assumption is that that would be very
16 similar in -- in -- into the out years. This is where
17 you're going to see the balance in the WIOA reserve balance
18 for '17 is in -- and it does reflect that 300,000 that we
19 had -- that was approved last week for the -- the
20 apprenticeship program, so it's -- it had gone from 7
21 million down to the 6.7.

22 And then in the out years because of what I
23 had mentioned earlier to you on the Veterans Leadership, the
24 statewide initiative balance currently stands at about 5.5
25 million per year for '18-19 after taking that into account

1 for the -- for that change in the funding for Veterans
2 Leadership.

3 MR. TEMPLE: Hey, Randy, that doesn't reflect
4 the new grant years every July in '18 and '19.

5 MR. TOWNSEND: I'm sorry?

6 MR. TEMPLE: That doesn't reflect the new --
7 the new money coming in '18 and '19.

8 MR. TOWNSEND: Yes, it assumes that the
9 current funding will current funding will continue into
10 '18-19, so, yes, yes, it does --

11 MR. TEMPLE: Right, got you. Okay.

12 MR. TOWNSEND: -- that into account. So --
13 so if our grant actually --

14 CHAIRMAN ALCANTAR: And it -- and it doesn't
15 reflect what the -- what Congress might do, so all right.

16 MR. TOWNSEND: It does not. It -- it assumes
17 a similar level funding as we -- as we have currently, yes,
18 yes.

19 CHAIRMAN ALCANTAR: Yeah, yeah. There's a
20 lot on this there. All right.

21 MR. TOWNSEND: Always a challenge with
22 budgeting. The grant legislative initiatives, I think, and
23 performance incentives are pretty straightforward. Are
24 there any questions on the statewide initiatives summary?
25 I'll move to the voc. rehab. pages.

1 CHAIRMAN ALCANTAR: Commissioners?

2 COMM. HUGHS: No.

3 COMM. ALVAREZ: Nothing at this time.

4 CHAIRMAN ALCANTAR: All right. Thank you.

5 MR. TOWNSEND: I had also yesterday was able
6 to give you just a real quick overview of a couple new
7 documents I've included because we were getting, you know,
8 experience with the vocational rehabilitation program is
9 fairly new to us all, so I thought it might be helpful just
10 to see how those dollars will -- are reflect in our total
11 budget. So I've pulled out on page 11 and 12, this will be
12 the blind services part of the grant looking at it by our
13 total salaries, client services, et cetera and object of
14 expense. I'm showing you where the budgets are by -- by
15 organization by division and then also how that client
16 services budget breaks down.

17 And then on the second page of the -- of the
18 documents, on page 12, for example, on the blind services,
19 you'll see the detail for the pre-employment broken down for
20 pre-employment training services. So I think it's --
21 hopefully this is useful for just a high level for -- for
22 your standpoint, but I'm hopeful it'll be helpful to the --
23 to the directors over the programs as well to see where the
24 -- where the dollars are reflected in the budget. So two
25 summaries documents, two different programs of course, if

1 there's some other way you'd like to look at it, of course,
2 we can -- we can provide that. But I thought this might be
3 kind of helpful for my high-level overview. And that will
4 conclude the budget documents before we get to the
5 exceptional items, so I just to see if you you have any
6 questions, comments, observations, suggested changes?

7 CHAIRMAN ALCANTAR: Commissioners?

8 COMM. HUGHS: Well, my observations were that
9 given our -- the way that we're funded, we do have limited
10 choices, and I appreciate the exercise that you've been
11 through to identify where we might find some -- some cost
12 cuts if we needed to and let's hope it doesn't come to that.

13 MR. TOWNSEND: Right.

14 COMM. HUGHS: But thank you for what you've
15 presented to us. It's very helpful.

16 COMM. ALVAREZ: I agree with the
17 Commissioner. Thanks for everything, Randy. Thanks for
18 coming by the offices and -- and briefing us on this very
19 important information. Thank you.

20 CHAIRMAN ALCANTAR: Good work. Yeah, let's
21 keep going.

22 MR. TOWNSEND: Thank you. Okay. Now, as we
23 move to the exceptional item request, I've included -- these
24 will need some work obviously to -- to be included in our
25 appropriation request. We'll have some additional

1 information that needs to be put together but hopefully this
2 morning we can -- if you're agreeable, we can get some
3 direction as to what exceptional items you'd like to see
4 included, and then we can work up the -- you know, the
5 justification and all that and bring that back around. And,
6 you know, as long as we have the dollar amounts and that
7 sort of thing, we can -- I think we can go pretty -- pretty
8 far.

9 So I've included information in here for your
10 consideration this morning. I'm not sure what -- I think
11 I'd for it to be in the order of the lowest priced to the
12 highest priced exceptional item. I'm not sure it got in
13 there that way but anyway. I'm -- I'm looking at Jobs and
14 Education for Texans page first. I don't know what's in
15 your materials first.

16 CHAIRMAN ALCANTAR: That's the first one in
17 ours.

18 MR. TOWNSEND: Okay.

19 CHAIRMAN ALCANTAR: So let's start with that.

20 MR. TOWNSEND: Okay, okay. This -- this was
21 -- Chairman, did you want lay this one out? I believe this
22 is --

23 CHAIRMAN ALCANTAR: Certainly. Thank you,
24 Randy. Commissioners, as we've heard and as we understand
25 from our meetings, our colleges and high schools are trying

1 to build out these new programs that align with what
2 industry is telling them that they need to do. And one of
3 the biggest challenges for them is being able to secure the
4 equipment needed to offer some of these evolving -- some of
5 the equipment needed for these evolving occupations and to
6 align with the curriculum that's being developed.

7 As you also understand when briefed last week
8 and from two weeks ago when we actually got the staff
9 recommendations, the demand for the JET program is really
10 high; a hundred and one proposals were received. We
11 anticipate that demand will be even stronger going into the
12 next procurement cycle. We received 101 proposals for the 5
13 million. We were able to fund a low percentage of the -- I
14 think 23 percent of those proposals were able to receive
15 funding.

16 The exceptional item request that I'm seeking
17 your support on would increase funding to the JET program by
18 4 million over the biennium. That would be 2 million per
19 year and that would be to fund the additional JET
20 applications that we would be receiving hopefully in -- in
21 the following biennium. If we go with the average of
22 around, I think, it 210,000 per grant approved, then we do
23 the math on that and so that would come out roughly to
24 another 9 applications or so that could be funded with that
25 proposal. And so I would move that we approve an

1 exceptional item of -- that would provide 4 million to the
2 JET program.

3 COMM. HUGHS: I want to say I support the
4 proposal. We've certainly heard the need. We've seen the
5 amount that's come in through the application process that
6 further confirms that need. I want to mention I've been
7 developing some legislative proposals to expand the JET
8 program in terms of other eligible entities and so I think
9 those will coming later, and I hope that maybe you'll keep
10 an open mind to maybe expanding it in some ways to other
11 types of entities that that we've seen --

12 CHAIRMAN ALCANTAR: Sure.

13 COMM. HUGHS: -- there's been a need for from
14 some of the discussions in our tri-agency meeting. And then
15 it's more of aside, and I know we're coming up on rules and
16 regulations, but I have asked OGC to counsel us on some of
17 the voting procedures in JET, and we'll be looking at that
18 coming forward or going forward. But I certainly support
19 the proposal, and I move that we accept it.

20 COMM. ALVAREZ: So my comments regarding JET,
21 I also want to commend the Chairman for taking the lead on
22 this, very successful. The word around the state was that
23 this certainly needed, and I appreciate the fact that it's
24 now with our high schools. The amount requested certainly
25 is fitting for me. I would -- as matter of fact, I was even

1 thinking about increasing it, Mr. Chairman, to even 5, 2 and
2 a half biennium, but I'm -- I'm willing to accept it at 4
3 million as it is here.

4 CHAIRMAN ALCANTAR: All right. Thank you. I
5 appreciate the support.

6 COMM. ALVAREZ: I support it.

7 CHAIRMAN ALCANTAR: I think, you know, the
8 work for all of these will -- will occur during the next
9 session. Our opportunity is to highlight for the members of
10 the legislature what some of these potential investments
11 ought to be so next one.

12 MR. TOWNSEND: Okay. The next one I -- I
13 believe should be the Career and Technical Education
14 Workforce Specialist Initiative in your -- in your document
15 there, and, Commissioner Alvarez, I believe you would -- you
16 wanted to lay this out; is that --

17 COMM. ALVAREZ: Sure. I'd love to. This
18 one, to me, is just as important as all of them will be. As
19 you know, baby boomers retire and Texas economy continues to
20 grow. Employers are faced with labor shortages for skilled
21 trades. As I've been traveling this great state of ours,
22 I've been listening to not only superintendents, business
23 owners, employers, and trade schools, there's a need.
24 There's asking us to help them market these young
25 individuals and not only in the high school years but in -

1 in -- in junior high as well.

2 And so my proposal was because of the aging
3 population that we're seeing, we would like to see someone
4 from our office and with the pilot program, and I'd like to
5 remind that this would be a pilot program to incorporate one
6 school in an urban and one school in a suburban area, and so
7 that we could collate -- locate someone from our office
8 actually in -- in a high school or a junior high to help
9 with those -- those questions that these young adults have
10 in trying to figure out where their careers are going.

11 And so as you know, and, again, with my
12 conversations as we've been traveling, 469 students see one
13 counselor. The average counselor sees about 469 students.
14 That's enormous, and as we know that that number is growing.
15 So I did provide you with a handout that had 56 lines on
16 there. We would specifically ask that Workforce Development
17 specialist conduct interviews to assess client needs,
18 disseminate the information and facilitate access to
19 employment programs while providing employment counseling
20 services.

21 These individuals are directly connected in
22 the pulse of local and Texas economy, so my recommendation
23 is this exception item would request for 2018-2019 TWC
24 Appropriation Request is for an additional \$1 million to be
25 added to the employment service strategy and general revenue

1 to cover salary and benefits at the Board level to implement
2 a pilot program in two Workforce areas, one in the rural and
3 one in the -- obviously in the urban area.

4 CHAIRMAN ALCANTAR: Commissioner Hughs?

5 COMM. HUGHS: This is an interesting proposal
6 because there is certainly a need to have Workforce
7 information in the schools. In fact, it's something that I
8 had been working with staff to look at how we can the
9 information to our schools. We ran into some logistical
10 issues in using existing funding, so I do think perhaps an
11 exceptional item would be a way around it. I'm concerned
12 about calling it a pilot program because if it does become
13 permanent funding, then what do we do next?

14 And I'm not sure if that's something that
15 staff might be able spend a little more time on. I don't
16 know that we would table it. But if it does get funded, I
17 think it's -- it's a worthwhile effort and one that we
18 probably want to continue. And I don't the answers to how
19 we would modify if we don't call it a pilot program since it
20 identifying two schools. But having said all that, I
21 actually would like to see this expanded to more than the
22 skills trade and for us to potentially collaborate and ask
23 for more money. Maybe another million, and it expands to
24 where they are able to share with students information about
25 the target occupations in the area that's selected so that

1 we can have these career pathways.

2 So I don't -- you know, if it's something
3 that you would want to consider, we could table it. I'd be
4 open to that. If you want us to vote as it's -- as it's
5 presented, I'd just have those concerns about how to make it
6 as effective as possible going forward.

7 COMM. ALVAREZ: Randy, what's the timeline
8 for this? I know that we were talking about that, and we
9 mentioned that yesterday.

10 MR. TOWNSEND: As it stands right now, we
11 still have a due date of August 12th on our legislative
12 appropriation request. Of course, I'm still hopeful in the
13 back of my mind that maybe that we'd get a -- get an
14 extension to out a couple of weeks which would give us some
15 time to -- to -- you know, to work on this part of it, but
16 right now it stands at August 12 so not much time.

17 MR. TEMPLE: So we have a meeting on the 9th.

18 CHAIRMAN ALCANTAR: Yeah, but you --

19 MR. TOWNSEND: We have a Commission meeting
20 on the 9th, yes.

21 COMM. ALVAREZ: I'd be willing to work with
22 it.

23 COMM. HUGHS: Yeah, you would? Okay. We're
24 not really able -- obviously we're not able to deliberate
25 but maybe in working with staff, but if we brought it up

1 again next week, we might work it up a little bit and look
2 at the money to have a better number by then.

3 CHAIRMAN ALCANTAR: So the proposal is to
4 modify your recommendation to add another million to broaden
5 the scope.

6 COMM. HUGHS: Right. And maybe look at
7 whether we call it a pilot program.

8 CHAIRMAN ALCANTAR: Or demonstration. It's
9 either demonstration or pilot where you're only four
10 schools --

11 COMM. HUGHS: We're only doing -- right.
12 Well, that's what I guess is what we could evaluate
13 further.

14 CHAIRMAN ALCANTAR: Yeah. Commissioner?

15 COMM. ALVAREZ: I would be -- I would be okay
16 that as long as we have something. Yeah. On the 9th, we
17 can --

18 COMM. HUGHS: It's a great idea.

19 COMM. ALVAREZ: Yeah.

20 CHAIRMAN ALCANTAR: So would -- well, the
21 other thing we could do is go ahead and move to --

22 COMM. ALVAREZ: Approve this.

23 CHAIRMAN ALCANTAR: -- approve it and then
24 work on the details based on the guidance that you've given
25 staff.

1 COMM. ALVAREZ: I'd be okay with that.

2 COMM. HUGHS: Does that work for staff?

3 Okay. Sounds good.

4 COMM. ALVAREZ: So we approve as is with
5 the --

6 CHAIRMAN ALCANTAR: So the recommendation is
7 to do a pilot or demonstration with -- with \$1 million.
8 Commissioner Hughs has recommended or moved that we modify
9 that by adding another million and expanding it to
10 additional schools with some additional duties and
11 responsibilities for these specialists. And then charge
12 them with developing -- the only thing I would add to that
13 is maybe charging these demonstrating entities with
14 developing a model so that we could replicate to other
15 areas. Am I missing anything?

16 COMM. HUGHS: That sounds good.

17 CHAIRMAN ALCANTAR: Okay. So you move -- you
18 want to -- so your -- would you move, Commissioner Alvarez,
19 to modify your proposal to increase amounts to 2 million and
20 to add the -- modify the scope as -- as suggested by
21 Commissioner Hughs?

22 COMM. ALVAREZ: I agree to that.

23 COMM. HUGHS: I second.

24 CHAIRMAN ALCANTAR: And it is unanimous. And
25 so if you would bring to us next week the additional details

1 so we can have final sign off on that 2 million
2 demonstration would be good.

3 MR. TOWNSEND: We'll -- we'll be happy to do
4 that. We'll just work together to make sure we get the
5 language right and yeah.

6 CHAIRMAN ALCANTAR: And -- and the reason
7 we're proposing to do this with general revenue is because
8 of the in school-out of school youth issue --

9 COMM. HUGHS: Right.

10 CHAIRMAN ALCANTAR: -- is that --

11 MR. TOWNSEND: Yes.

12 MR. TEMPLE: Correct.

13 CHAIRMAN ALCANTAR: Okay, all right.

14 MR. TOWNSEND: Chairman, if I could, and
15 Commissioner Alvarez, if I could, I just want to make sure
16 I'm clear on this. I believe I am, but on the -- the 2
17 million amount as far as -- we're talking about salaries and
18 -- and -- and benefits, but my understanding is this would
19 be a grant program. In other words, we would approve 2
20 million granted to the local Workforce areas, and then they
21 would actually hire the staff. And the reason I say that is
22 because we -- I don't -- I want to make sure we're not
23 thinking we're adding FTEs at TWC as it would actually be at
24 the Board level. That's where this would occur. I just
25 want to make sure I've -- I've got that correct this

1 morning.

2 COMM. HUGHS: I agree with that.

3 MR. TOWNSEND: Okay. That was my
4 understanding so I just wanted to make sure. Okay.

5 COMM. ALVAREZ: And so at this time, do we
6 take a vote on -- do we prioritize or --

7 CHAIRMAN ALCANTAR: We have one more.

8 MR. TOWNSEND: We have one more.

9 COMM. ALVAREZ: One more. Whoa, we got one
10 more.

11 CHAIRMAN ALCANTAR: Yes, we got one more.

12 MR. TOWNSEND: Yes, Commissioner, one more.
13 And then, yes, there will be a --

14 COMM. HUGHS: If we keep cutting skills, I
15 may have to add one for veterans, but, so far, I'm -- I'm
16 confident we'll have to money in our skills program to
17 continue to fund that program.

18 MR. TOWNSEND: There -- there is one final
19 proposed exceptional item for consideration this morning,
20 the Skill for Adults Accelerating to Jobs, and, Chairman, I
21 believe you wanted to lay this out this morning.

22 CHAIRMAN ALCANTAR: Yes, thank you, Randy.
23 First, we heard from -- from staff how we've in house
24 performance in the AEL program really done a nice job of
25 getting the numbers back up to where we thought they would

1 be at the beginning. We entered this next fiscal year with
2 another procurement, and so they'll be some additional
3 changes upon us given the federal requirement that we
4 reprocure out of cycle, so we'll be going back on cycle.

5 In addition to that under the legislation,
6 we have an opportunity to do more of these integrated
7 models. What we know is that in our regionals meetings
8 around the state that we heard from different partners about
9 the challenges facing some of these adults, the ability to
10 read, to write, to communicate effectively is a real issue
11 for our employers. The ability for individuals to secure
12 employment given some of these challenges has been
13 demonstrated repeatedly.

14 The lack of skills on the part of these
15 individuals when coupled with their lack of a high school
16 diploma or equivalent is a real challenge for them, and then
17 when you get into tight labor markets like we have in
18 communities such as here Austin and -- and the Metroplex and
19 the individuals that are not working that would benefit from
20 these services really is highlighted.

21 What I'm proposing is that we try to build on
22 some of this momentum that we have and -- and expand the
23 reach of our effort in terms of working with the adult
24 learner. The initiatives would be to provide additional
25 skills, opportunities to accelerate their path to a job.

1 This grant program would provide \$10 million for the
2 biennium to expand the number of adults receiving
3 credentials through the Accelerate Texas program. It would
4 continue to fund the expansion of dropout recovery models so
5 that we can take advantage of these partnerships between our
6 community colleges and our high schools. The effort would
7 target individuals under the age of 25 to keep them from
8 being a part of those that are even harder to challenge as
9 they age. And the other thing it would do to -- it would be
10 to try to expand adult driver school models such as the one
11 that we have here in Austin.

12 The -- the goal, again, is to build on the
13 investments that we've been making. The investment
14 certainly increases the number of individuals that can
15 potentially be served but certainly does not address the
16 full need out there. But this is a step to allow us to
17 demonstrate how we can do this more effectively and build on
18 the prior momentum. And with that, I would move a 10
19 million exceptional item for the Skills for Adult
20 Accelerating to Jobs grants. Happy to answer any questions.

21 COMM. HUGHES: I would second that motion and
22 commend you on all of your leadership in AEL. I think these
23 are all great programs, and they're all highly needed, and I
24 certainly support the effort.

25 CHAIRMAN ALCANTAR: Thank you, Commissioner.

1 COMM. ALVAREZ: So I also agree with -- with
2 this, but I do have a question and maybe you can help me
3 answer this, Randy or Reagan. Back in April 28th, Patricia
4 Gonzalez sent us the Accelerate Texas, Houston-Galveston the
5 North Central Texas College, Literacy Council of Taylor --
6 of Tyler -- I mean those were obviously the three that were
7 -- that were awarded; am I correct on the Accelerate Texas?
8 And we still had still had a balance there. Has that been -
9 - do we have any balance in that account as of right now?

10 MR. TOWNSEND: We're talking about the
11 Accelerate Texas --

12 COMM. ALVAREZ: Yes, do we have balance?

13 MR. TOWNSEND: -- out of the adult education
14 program is that what the -- I -- I want to make sure I
15 understand the question.

16 COMM. ALVAREZ: That's the question. If --
17 if we have balance.

18 MR. TOWNSEND: I think I need a little help.

19 COMM. ALVAREZ: And I'm only referencing the
20 memo that we got from you all.

21 MS. MILLER: Yeah. So as I recall, we had
22 about a \$1.3 million balance remaining after the competitive
23 RFP. We put those funds back into the AEL Commission
24 reserve so those funds were reabsorbed within the state
25 leadership amounts.

1 COMM. ALVAREZ: Okay. Than I'll second that.

2 CHAIRMAN ALCANTAR: All right. So we have
3 three approved exceptional items. We now would vote to
4 prioritize these. For me -- I'll start. So -- so last
5 cycle I deferred, and I actually had to --

6 COMM. HUGHS: You weren't here. What
7 happened?

8 CHAIRMAN ALCANTAR: -- and I made mine last,
9 so I would like to not defer this time. But I still need a
10 second, so I think that certainly the greatest need out
11 there is for these adult learners. These adult learners are
12 kids that are 17 or 18 that have dropped out and not
13 finished. They're the 23-year-old single mom. They're the
14 35-year-old unemployed father. I mean, there is so many
15 different individuals that fit within this eligible
16 population and the number of -- of training and -- and
17 learning opportunities for them are limited.

18 We have a great network of volunteers out
19 there that assist, but we know that the job is really
20 significant in terms of what needs to be done to help these
21 individuals become self-sufficient. More importantly to
22 help how our -- our different sectors of our economy, so I
23 would like to get a second to make the Skills for Adults
24 Accelerating to Jobs grants our number one priority.

25 COMM. HUGHS: This is going to be hard.

1 There are three of us and there are how many exceptional
2 items? Three.

3 COMM. ALVAREZ: Three.

4 COMM. HUGHS: So my vote is JET --

5 CHAIRMAN ALCANTAR: Your vote is JET.

6 COMM. HUGHS: -- just because I know that's
7 where there's a large need from the employer perspective to
8 make sure that we have the equipment and the training to get
9 people ready to work.

10 CHAIRMAN ALCANTAR: Well, I'll -- I'll take
11 that if -- unless I get a second this one.

12 COMM. HUGHS: So that sounds like we have a
13 tiebreaker over there on the end whose vote might be his --

14 COMM. ALVAREZ: I'm not going to favor that
15 one as number one only because I -- or as the -- as the
16 priority though I think it is important. The Chairman
17 brings up a good point, and I know that he's met with many
18 folks to discuss this. I, like Commissioner Hughs, also
19 feel that the JET which the Chairman is very -- has been
20 very instrumental in -- in that, but also the career in
21 technical education Workforce specialist initiative or that
22 specific position or that program. I think there's even
23 weight.

24 CHAIRMAN ALCANTAR: Okay.

25 COMM. ALVAREZ: I -- I -- that was just my

1 opinion.

2 CHAIRMAN ALCANTAR: All right. So it sounds
3 like we go with JET. Okay. JET's -- JET's the first
4 priority. Now we need to go with number 2.

5 COMM. HUGHS: I will agree with the adult
6 education --

7 CHAIRMAN ALCANTAR: All right. Adult
8 education.

9 COMM. HUGHS: -- and learners just I -- I
10 appreciate that the need is there, and that it's --

11 CHAIRMAN ALCANTAR: Great.

12 COMM. HUGHS: -- a big responsibility that
13 our agency has.

14 CHAIRMAN ALCANTAR: I appreciate that. So --
15 so we have our priority JET number one, the Adult Learner
16 Skills number two and the demonstration pilot would be number
17 three. Okay.

18 COMM. HUGHS: Last but not least.

19 CHAIRMAN ALCANTAR: They're all important,
20 and we'll work hard to make sure that these things get done
21 one way or another.

22 MR. TOWNSEND: And, Commissioners, if I -- so
23 I will -- we'll bring all -- we'll flesh all that out,
24 complete -- complete the justification, and we have that in
25 priority order. So we have what we need for exceptional

1 items, and we'll -- and we'll get all that pulled together.
2 I do need to go back briefly on page 8. I think I had
3 failed to recognize one thing under our foster youth
4 Workforce transition program. Reagan was mentioning to you
5 -- and I think this is the right one, Reagan, right? The
6 2.8? That should probably should've been reflecting
7 2,850,000. I think it's short 50, and so the difference
8 will come out the -- out of the balance, out of the -- the
9 Commission reserve, so I just wanted to get that correction
10 out there.

11 CHAIRMAN ALCANTAR: And that amounts already
12 been approved, so we're just updating.

13 MR. TOWNSEND: It has been approved. I just
14 didn't have it in the document here correct, so --

15 CHAIRMAN ALCANTAR: Okay.

16 MR. TOWNSEND: -- we'll get that reflected.
17 And then moving forward on the next steps for -- for, of
18 course, beyond exceptional items, you know, filling out what
19 we need to as far as the -- the reduction exercise and --
20 and all that. The numbers -- you know, they're -- they --
21 we may find a few more things as we go through, I don't
22 think it's really -- it'd be fairly minor, but if -- if --
23 you know, if the direction is that we can -- can make those
24 kind of corrections as -- as we finalize the LAR,
25 Legislative Appropriation Request, and then, of course, if

1 there's any new instructions that come -- come to us as far
2 as requirements that we need to satisfy from the -- the
3 Budget Board perspective or the -- or -- or the Governor's
4 Office budget side as well, then we, of course, want -- want
5 to reflect those in our request. So that's what we're
6 moving forward with. If that's acceptable to the -- to the
7 Commissioners.

8 CHAIRMAN ALCANTAR: I think that's correct.

9 COMM. ALVAREZ: Yes.

10 CHAIRMAN ALCANTAR: It is. That's all you
11 need on number 9?

12 MR. TOWNSEND: I believe so, yes.

13 AGENDA ITEM NO. 10

14 CHAIRMAN ALCANTAR: So on number 10.
15 Discussion, Consideration and Possible Action Regarding
16 Local Board Allocations.

17 MR. TOWNSEND: I don't have anything this
18 morning.

19 CHAIRMAN ALCANTAR: You wouldn't have
20 anything there.

21 AGENDA ITEM NO. 11

22 CHAIRMAN ALCANTAR: Item 11. Discussion,
23 Consideration and Possible Action -- I went blank here --
24 Regarding Implementation of WIOA. We have no update.

25 AGENDA ITEM NO. 12

1 CHAIRMAN ALCANTAR: Item 12. Discussion,
2 Consideration and Possible Action Regarding Initiatives
3 Funded with TANF, WIOA. We have no updates there. Okay.

4 AGENDA ITEM NO. 13

5 CHAIRMAN ALCANTAR: Item 13. Discussion,
6 Consideration and Possible Action Regarding Local Board
7 Nominees. We have no Board nominees.

8 AGENDA ITEM NO. 14

9 CHAIRMAN ALCANTAR: And Item 14. Discussion,
10 Consideration and Possible Action Regarding State or
11 Legislative Actions. There's no update.

12 AGENDA ITEM NO. 15

13 CHAIRMAN ALCANTAR: Item 15. Report and
14 Update by the Executive Director.

15 MR. TEMPLE: No staff reports.

16 CHAIRMAN ALCANTAR: There are no staff
17 reports, but I did want to share with my fellow
18 Commissioners a couple of things in terms of things that I'd
19 like staff to work on, Larry, and I'd for you to work
20 with -- work with us on this. The first one is an update.
21 We need to make sure that we finalize -- as -- as you know,
22 Commissioners, a number of times throughout the year I've
23 asked of staff that they put together a campaign to promote
24 the hiring of people with disabilities. And I want to make
25 sure that we begin final -- the final stage of that work, so

1 go around and communicate and share ideas on how that's
2 coming together in terms of what staff's come up with,
3 Larry.

4 MR. TEMPLE: And -- and that would be --

5 COMM. HUGHS: So this is using existing
6 funds, right? Not funds that are coming in and how we may
7 use them for different programs?

8 CHAIRMAN ALCANTAR: Yeah, this is just a
9 campaign --

10 COMM. HUGHS: Yeah, sure.

11 CHAIRMAN ALCANTAR: -- not unlike what we've
12 done --

13 MR. TEMPLE: Tying to the national mod -- of
14 October --

15 CHAIRMAN ALCANTAR: Yeah, what we're looking
16 at is October is national disability awareness month, and
17 I've asked staff to lay out a couple options for us to
18 launch a campaign to really advance efforts to support the
19 hiring of people with disabilities. And so let's wrap that
20 up and make sure we understand what we're going to be able
21 to do there.

22 COMM. HUGHS: Well, sure, and -- and I think
23 that that's another area where we could probably find some
24 collaboration. There have been a few things that we've also
25 suggested out of our office, so maybe once I could circulate

1 it, we could have a work session or find a way to be able to
2 have an open discussion to figure out the best way to use
3 that money.

4 CHAIRMAN ALCANTAR: Yeah. And was there
5 anything you would like to add to that at this point beyond
6 that?

7 COMM. ALVAREZ: No.

8 CHAIRMAN ALCANTAR: Okay. I've asked -- I'm
9 going to be asking staff and -- I've asked them to in terms
10 of our industry clusters and -- and what they are and how
11 important they are to our state's economy and within those
12 clusters, there are occupations that are evolving that are
13 high demand. Some are hard to fill. Others are attracting
14 talent. We need to make sure that we have a campaign to
15 promote these occupations in different industries, so I've
16 asked staff to work on that and focus would be on different
17 areas of the state and the different regions. And these are
18 ongoing -- an ongoing campaign.

19 MR. TEMPLE: Mr. Chairman, was that the six
20 clusters that are -- that we have that we work under?

21 CHAIRMAN ALCANTAR: The six industry
22 clusters, but we're not going to limit it --

23 MR. TEMPLE: Yeah. Okay.

24 CHAIRMAN ALCANTAR: -- to -- in that way.

25 That would be the focus, but we want to make sure that we

1 include construction, and we focus on logistics and some of
2 those things to make sure that they get the appropriate
3 attention. We want to make sure that electricians are there
4 to get the job done, and we want to make sure that the
5 engineers are there and everything in between. And so we're
6 going to really examine that.

7 Internships really want to make sure that we
8 have strong effective campaigns. Where we're working with
9 different partners to promote these applied learning
10 opportunities so that's another area that I've asked staff
11 to work and develop and come -- come around and brief you.
12 And I have some ideas, and we'll be bringing those forward.

13 COMM. HUGHS: I'm looking at Reagan. Okay.
14 Because I -- I guess we'll be sharing ideas on internships
15 then. That's something that I've submitted as a legislative
16 proposal as well as a military support program, so I'm not
17 sure when -- when are we going over? I guess that's
18 different proposed legislative ideas versus initiatives but
19 it'll probably tie in --

20 CHAIRMAN ALCANTAR: Yeah, legislative
21 ideas --

22 COMM. HUGHS: -- together, and we should
23 probably find a way to coordinate timing.

24 CHAIRMAN ALCANTAR: Yeah, the -- the schedule
25 for our legislative proposals -- where's Tom or Michael?

1 Hey, Tom. Good morning. For the record?

2 MR. McCARTY: Good morning, Tom McCarty,
3 External Relations. The schedule for bringing the
4 legislative items to the -- I'll try to bring that you --
5 you all at the end of August or beginning of September or
6 right around that time frame.

7 CHAIRMAN ALCANTAR: Yeah. And but we won't
8 be approving proposals until later on. Time for bill filing
9 so we're looking --

10 MR. McCARTY: For -- the -- the agency's
11 legislative initiatives, we'll try to bring those to you all
12 around, you know, at the end of August beginning of
13 September for your approval. That allows us time to do
14 drafting legislation and all that kind of stuff.

15 CHAIRMAN ALCANTAR: We're not going to be
16 ready to go by then. It's probably going into October, so.

17 MR. McCARTY: Okay. We can do that. We can
18 certainly push the timeline back.

19 CHAIRMAN ALCANTAR: Yeah.

20 COMM. HUGHS: Is that the time frame you were
21 looking at for an internship campaign?

22 CHAIRMAN ALCANTAR: Well, no, no. I'm just
23 talking about legislative initiatives. There's so much
24 going on, that October probably a more realistic date for us
25 to have an idea of what that package will look like. We can

1 start early but finalizing it by October is probably going
2 to be more realistic.

3 CHAIRMAN ALCANTAR: Okay. All right. And
4 finally, hopefully in the next week or two I'm -- I'd like
5 for staff to bring forward a proposal to recover former
6 foster youth, and this will build on the model, the dropout
7 recovery models, that we've done in the past. But the idea
8 is to reach out to these former foster youth, recover them,
9 get them to complete, get them to acquire a certificate and
10 ideally get them to enroll in a post-secondary institution
11 when appropriate.

12 There's some timelines there that are
13 important in terms of being able to take advantage of some
14 of provisions in law that allow them to pursue a per --
15 post-secondary education, and I think that that -- that this
16 initiative will -- will highlight what some of those
17 objectives are. But that -- that should be coming forward
18 in the next week or two, hopefully next week. And that's
19 what I'm working on. Is there anything you guys want to
20 share in terms of things you'd like staff to work on and
21 bring forward?

22 COMM. ALVAREZ: I'm okay with this.

23 CHAIRMAN ALCANTAR: Commissioner?

24 COMM. HUGHS: I think I've already added it
25 as we've gone along

1 CHAIRMAN ALCANTAR: All right.

2 COMM. HUGHS: And it sounds like they're
3 hearing a lot of similar ideas from different offices --

4 CHAIRMAN ALCANTAR: Well --

5 COMM. HUGHS: -- so it's good if we put them
6 on the record and find ways to have a work session or have a
7 further discussion so we can -- to the extent we can
8 collaborate, maybe we can do that.

9 CHAIRMAN ALCANTAR: And, yeah, but the good
10 news is we were on the road together. We did hear --

11 COMM. HUGHS: Yes.

12 CHAIRMAN ALCANTAR: -- from our partners
13 about these different issues and --

14 MR. TEMPLE: Mr. Chairman, we'll get with you
15 and the other offices and get input and try to put together
16 -- are -- are you looking for those briefings and us working
17 with offices next week or are you asking -- ask -- talking
18 about action for next week?

19 CHAIRMAN ALCANTAR: The -- no, the only one
20 for next week would be the one on foster care, on -- on the
21 former foster youth. And the other ones I'm continuing
22 to -- to map out the ideas, and then we'll bring those
23 forward at a future date. But we do -- we -- we can go
24 ahead and brief on them in the next couple of weeks for the
25 other three, and then we'll -- and then we'll come together

1 and bring in the other ideas like Commissioner Hughs has and
2 some of the others --

3 MR. TEMPLE: Okay.

4 CHAIRMAN ALCANTAR: -- and that Commissioner
5 Alvarez might have. And if they have anything, then they
6 can make sure that we understand what else is being worked
7 on. Does that work?

8 COMM. HUGHS: Sure.

9 CHAIRMAN ALCANTAR: All right.

10 COMM. HUGHS: And -- and I understand -- I
11 think JET is coming up in August as far as the rules and any
12 legislative changes that we may need to make. When is that
13 discussion scheduled?

14 MR. TEMPLE: I think we had it on for the
15 9th.

16 COMM. HUGHS: I heard we had the 9th and then
17 maybe based on my request, we've moved it.

18 MR. TEMPLE: I -- I mean, there's not a hard
19 deadline -- I -- I -- for it that we have to have it --

20 COMM. HUGHS: Okay. So by the end of the
21 month.

22 CHAIRMAN ALCANTAR: For the rules?

23 COMM. HUGHS: Right. To the extent they're
24 not just technical or that we need to evaluate what that
25 program looks like and how it plays out for all of this be

1 in compliance as a three-member Commission.

2 MR. TEMPLE: We're -- we're prepared --

3 CHAIRMAN ALCANTAR: What's -- what's -- what
4 are the issue --

5 MR. TEMPLE: -- to present on the 9th but --

6 CHAIRMAN ALCANTAR: What are the issues in
7 terms of compliance?

8 MR. TEMPLE: I mean, we would make -- we have
9 technical changes we were proposing just everywhere it said
10 comptroller putting Commission.

11 COMM. HUGHS: There may be questions about
12 whether they're just technical, so I know OGC is looking at
13 it. I just didn't know when to expect us to have that
14 discussion.

15 CHAIRMAN ALCANTAR: Okay.

16 COMM. HUGHS: It sounds like by the end of
17 the August.

18 CHAIRMAN ALCANTAR: All right. But they --
19 it should've been briefed on all this over the course of the
20 year, so I'm not sure what issues there are.

21 COMM. HUGHS: I think it's a new issue but --

22 CHAIRMAN ALCANTAR: It's a new issue. Okay.
23 All right. The -- anything else, Larry? All right.

24 AGENDA ITEM NO. 16

25 CHAIRMAN ALCANTAR: The Commissioners will be

1 going into Executive Session under Agenda Item 16(d)
2 pursuant to Government Code 551.071(1) the contemplated
3 litigation and to discuss the pending litigation of Patricia
4 Vargas v. TWC and Rique D. Bobbitt. I think that's correct.
5 Thank you.

6 (Off the Record 10:37 a.m. to 11:02 a.m.)

7 CHAIRMAN ALCANTAR: It is 11:03. We're back
8 in session. Do we have a motion to adjourn?

9 COMM. HUGHS: I move that we adjourn.

10 COMM. ALVAREZ: I second that, Chairman.

11 (Proceedings concluded at 11:03 a.m.)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

STATE OF TEXAS)
COUNTY OF TRAVIS)

I, Kimberly C. McCright, Certified Vendor and Notary in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9th day of August, 2016.

/s/ Kimberly C. McCright
Kimberly C. McCright
Certified Vendor and Notary Public

Verbatim Reporting & Transcription, LLC
1322 Space Park Drive, Suite C165
Houston, Texas 77058
281.724.8600